



Florida House of Representatives

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HOUSE ROLLS BACK UNEMPLOYMENT COMPENSATION TAX

~First Priority of Session is Recharging Florida's Economy and Putting Floridians Back to Work~

TALLAHASSEE – Today the Florida House of Representatives unanimously passed legislation that will help keep Floridians working, prevent layoffs, bring a degree of economic certainty to help create new jobs and foster economic growth in Florida. Council Substitute for House Bill (CS/HB) 7033, sponsored by Representatives Dave Murzin (R-Pensacola) and Jennifer Carroll (R-Fleming Island), holds down dramatic increases in unemployment tax rates for businesses for the next two years and takes advantage of the time extension for the State Extended Benefits program by covering up to 8 additional weeks for claimants. Approximately 20,000 Floridians would be eligible to receive extended benefits.

"Recharging Florida's economy and putting Floridians back to work is our top priority this year. Making sure that employers can afford to keep the employees they already have is part of that agenda," said House Speaker Larry Cretul. "It is better right now for Florida employers to use their dollars to keep Floridians working rather than be forced to lay off employees in order to afford a higher unemployment tax bill."

"Affordable premiums are critical to Florida's businesses during these tough economic times," said Representative Dave Murzin (R-Pensacola), Chair of the Economic & Community Affairs Council. "This bill is vital to help keep Floridians working and get our economy back on track."

"The impact this measure will have on the Florida workforce cannot be underestimated," said Representative Jennifer Carroll (R-Fleming Island), Chair of the House Economic Development Policy Committee. "This legislation gives optimism to not only struggling Florida businesses, but also shows compassion to the unemployed workers whose benefits have just run out."

(more)

CS/HB 7033 makes several changes to the existing law including:

- *Reduces the taxable wage base from \$8,500 down to \$7,000 for the next two years. This change will have the effect of reducing employers' unemployment compensation taxes for 2010 and 2011. The rate will return to \$8,500 in 2012, and sunsets back to \$7,000 in 2015.*
- *Regardless of the balance in the Unemployment Compensation Trust Fund, no rate increase will be triggered for the next two years. Rates will begin to rise again in 2012, but forecasts indicate our economy will be stronger and hopefully employers will have used the time to plan for the higher costs.*
- *Grants employers the ability to make their 2010 and 2011 tax payments in quarterly installments without interest or penalties if the employers make the quarterly filings and payments on time.*
- *The payment of interest on federal advances will be made through an employer assessment.*
- *Provides an extension of the State Extended Benefits program which is 100% federally funded. This extension will cover up to 8 additional weeks for claimants. Approximately 20,000 Floridians would be eligible to receive extended benefits.*

The bill now proceeds to the Senate this afternoon for a vote.

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